



DEMOCRATIC CAUCUS

U. S. HOUSE OF REPRESENTATIVES

Rahm Emanuel, Chairman
John B. Larson, Vice Chair

REAL OVERSIGHT, **REAL ACCOUNTABILITY:** **A NEW DIRECTION IN** **CONGRESS**

The Democratic Congress — Protecting Students, Veterans and Families

Democrats in Congress pledged to change the direction of the country and conduct real, meaningful oversight. After nearly five months in the majority, the new Democratic Congress is keeping its commitment to the American people and delivering real results for students, veterans and families.

This edition of *Real Oversight, Real Accountability: A New Direction in Congress* examines Democratic efforts to crack down on the student loan scandal that was long ignored by the Bush Administration and allowed lenders to take in millions in additional fees from the federal government.

The Report also looks at House Democratic efforts to ease the burden on working families by bringing down the cost of gasoline and the price of prescription drugs. And as Memorial Day approaches, the report highlights Democrats work to hold the Bush Administration accountable and ensure our veterans receive the high-quality care they have earned and deserve.

Finally, this edition includes an update on Democratic efforts to crack down on the politicization of the Justice Department under George Bush and Alberto Gonzales.

PROTECTING STUDENTS, SAVING TAXPAYER DOLLARS

Action: House Held Hearing on Administration Accountability. On May 10th, the House Education and Labor Committee held a hearing on the Department of Education's oversight of the Student Loan program, in light of revelations of corruptions by officials charged with overseeing the program that millions of students have depended on. Secretary Margaret Spellings testified at the hearing. [Committee on Education and Labor]

Result: Head of Student Loan Program Resigns Amid Congressional Investigation. Theresa Shaw, head of the Education Department's student loan office since 2002, stepped down amid growing criticism that the agency has been lax in overseeing the student loan industry. Shaw was chief operating officer of the Federal Student Aid office, which administers federal student aid programs. Shaw previously worked at student loan giant Sallie Mae, also known as SLM Corporation. The Associated Press reported that, "Critics in Congress and student advocates have complained that the department has too many people with ties to the student loan industry in charge of overseeing that industry." [[Associated Press](#), 5/8/07]

Result: House Passes Bill to Crack Down on Student Loan Abuse. The House of Representatives adopted a bill cracking down on conflicts of interest in the \$85 billion student loan market amid the widening scandal. The bill would require colleges and lenders to abide by strict codes of conducts; ban gifts from lenders to college aid officers; require disclosure of college-lender links; and protect students from aggressive marketing practices. The legislation passed the House with broad bipartisan support, 414-3. [H.R. 890, Vote #313, 5/9/07; [Reuters](#), 5/9/07]

REAL OVERSIGHT, REAL ACCOUNTABILITY

Page 2



The new Democratic Congress is conducting real oversight and delivering real results for students, veterans and families.

STANDING UP FOR OUR VETERANS

Action: House Holds Hearings on Veterans Affairs. After Democrats Demand Answers, Veterans Affairs Chief Promises Congress He Will Work to Improve Care. After being called to testify by House Democrats, VA Secretary Jim Nicholson told skeptical House members this month he would work hard to improve veterans' care and said he would take personal responsibility for implementing a presidential task force's recommendations to improve veterans' health care. Nicholson also responded to criticism of bonuses given to senior officials who crafted a budget that fell \$1 billion short and have been accused of jeopardizing health care. [[Associated Press, 5/9/07](#)]

CRACKING DOWN ON HIGH GAS PRICES

Action: House Holds Hearings on Rising Gas Prices. On May 16, 2007, the Judiciary Committee Task Force on Antitrust held a hearing on "Prices at the Pump: Market Failure and the Oil Industry." On May 22nd, the Energy and Commerce Oversight Subcommittee held a hearing focusing on price gouging. [House Judiciary Committee, House Energy and Commerce Committee]

Result: House Poised to Pass Legislation to Crackdown on Gas Prices. On May 22, the House considered legislation passed out of the Judiciary Committee to crackdown on OPEC, allowing the oil cartel to be subject to the Sherman Antitrust Act. On May 23, the House considered legislation to crackdown on price gouging by giving the Federal Trade Commission the explicit authority to investigate and punish those who artificially inflate the price of energy. [HR 2264; H.R. 1252]

Action: Resources Held Hearing Investigating Royalties and the Mineral Management Service. In March 2007, the House Committee on Resources held a hearing investigating the Minerals Management Service and the implementation of its core programs. Resources Committee Chairman Nick Rahall stated that, "By some accounts, the Royalty-in-Kind program has served as a giant loophole, allowing wealthy companies to forgo fair payment to the public... As a result, the people back home who are struggling to pay the mortgage, buy the groceries and pay their annual tax bill have been getting tougher treatment from Uncle Sam than do wealthy multinational oil conglomerates." [House Resources Committee, 3/28/07]

Result: Head of Offshore Oil and Gas Program Stepped Down. Johnnie Burton, the head of the agency overseeing the government's offshore oil and gas leasing program, announced her resignation. The Minerals Management Service which she directed had been under fire from Congress over a royalty controversy. [[Associated Press, 5/8/07](#)]

PROTECTING SENIORS FROM HIGH DRUG PRICES

Congress Holds Hearings on Medicare Programs for Low-Income Beneficiaries. On May 3, the Ways and Means Health Subcommittee held a hearing on financial assistance programs for low-income Medicare beneficiaries. The hearing focused on the current state of the Part D Low Income Subsidy the Medicare Savings Programs, and opportunities to increase enrollment and expand eligibility in these programs. [House Ways and Means Committee, 5/3/07]

Congress Calls for Action on Lack of Drug Cost Reimbursement. In response to recent revelations that the Centers of Medicare and Medicaid (CMS) failed to notify over 400,000 seniors nationwide of prescription drug benefits owed to them, U.S. Congressman Joseph Crowley called on CMS Acting Administrator Leslie Norwalk to contact these individuals for reimbursement. Specifically, CMS failed to reimburse seniors for the drug costs they incurred during the enrollment process. [Crowley Press Release, 5/11/07; [Washington Post, 5/7/07](#)]

UNCOVERING POLITICIZATION AT THE JUSTICE DEPARTMENT

Deputy Attorney General Comey Testifies, Reveals Attempt to Pressure Ashcroft by Gonzales and White House. On May 15th, the Senate Judiciary Committee held an oversight hearing on preserving prosecutorial independence. The hearing featured former Deputy Attorney General James Comey. In his testimony before the committee, Former Deputy Attorney General Comey said while White House counsel in 2004, Alberto Gonzales paid a hospital visit to the seriously ill John Ashcroft, then Attorney General, in a failed bid to pressure him to set aside concerns by his own Justice Department and reauthorize Bush's domestic spying program. [Senate Judiciary Committee, 5/15/07; Reuters, 5/18/07]

Goodling to Testify Before House Judiciary Committee. On Wednesday, May 23 Monica Goodling, the former Justice Department White House liaison, testified before the House Judiciary Committee about the U.S. Attorney firings scandal. Goodling testified after initially pleading the Fifth Amendment. The Judiciary Committee, has granted limited immunity to Goodling in order to allow her to testify. [House Committee on Judiciary]

Goodling Under Investigation. Goodling has also become the subject of a Justice Department investigation into whether she illegally took party affiliation into account when hiring career federal prosecutors. The allegations against Goodling represent a potential violation of federal law. [[Washington Post](#), 5/3/07]

OVERSIGHT BY THE NUMBERS

Democrats have made oversight a priority and the numbers don't lie: since the new Democratic Congress came to power, Democrats in the House of Representatives alone have held 208 full committee oversight hearings in less than five months.